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Pacific Telesis Group / Pacific Bell Community Partnership Agreement

October 16, 1996

(approved by the California Public Utilities Commission April 1, 1997)

Contents:

- **Media Release**
- **Fact Sheet**
- **Agreement**
- **History of Pacific's Consumer Advisory Process**
- **Community Partnership Profiles**

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PACIFIC  **TELESIS**
Group

**FOR IMMEDIATE RELEASE:
OCTOBER 15, 1996**

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Pacific Telesis:

Dick Fitzmaurice, (415) 394-3764

Linda Bonniksen, (213) 975-5061

Greenlining Institute:

John Gamboa, (415) 284-7220

Helen Lie, (415) 284-7207

Universal Service Alliance:

Jackie Brand, (415) 456-4243

Public Advocates:

Mark Savage, (415) 431-7130

Community Organizations Announce Support for Pacific Telesis -- SBC Merger

**Company Pledges to Take Leading Role in Universal Service,
Create \$50 Million Community Technology Fund
When Merger is Complete**

SAN FRANCISCO – Pacific Telesis today joined with more than 100 community organizations in an agreement that creates a 10-year partnership designed to ensure that more of California's neediest residents have access to telecommunications services after the company's proposed merger with SBC Communications is completed.

The partnership agreement outlines a sweeping program to improve the availability of services to ethnic, disabled and low-income customers and to increase levels of charitable giving.

The centerpiece of the partnership is Pacific Telesis' decision to commit to a good faith effort to achieve 98 percent telephone penetration for minority and low-income communities.

News Release News Release News Release News Release News Release

JUN 27 1998 9 AM

BAY PUBLIC AFFAIRS

NO. 8017 P. 4

Partnership — Page 2

Another element of the partnership is a new \$50 million "Community Technology Fund," to be established by Pacific Telesis and governed by a broad-based committee of community and public interest group leaders and technology experts.

Among the community organizations participating in the partnership and supporting the proposed merger are the Greenlining Institute, Public Advocates, the Universal Service Alliance, the World Institute on Disabilities, the Asian Pacific American Community Partnership, the Hispanic Association on Corporate Responsibility, the African Americans for Telecommunications Equity, the Asians Americans and Pacific Islanders California Action Network, the Los Angeles Urban League, Latino Issues Forum and the Asian, Black and Latin Business Association.

"Pacific Telesis is proud of its history of reaching out to all segments of California society to ensure that they have access to high quality telecommunications services at affordable prices," said Phil Quigley, chairman and chief executive officer of Pacific Telesis. "This new fund will reinforce our commitment to serve those Californians who often do not enjoy full access to the range of communications services that are available to most of us."

Quigley explained that over the last several years, the Telesis Consumer Advisory Panel and community leaders have proposed the establishment of a

JUL 27 1998 3:11AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 5

Partnership -- Page 3

fund which reinforces commitments to universal service, broadening the existing access base for telephone services to give communities at risk of being underserved access to advanced telecommunications services.

The essential purpose of the Community Technology Fund is "community building," Quigley said, which is focused on the development and deployment of community-based applications of advanced technologies that address the living needs of at-risk and underserved communities. These applications cut across education, health care, economic and small business development, job training, labor market operations, employment and the full range of community services affecting the quality of life and community participation.

"In short, the fund is to facilitate the involvement of a broader spectrum of the society in shaping the applications of the advanced telecommunications system that is evolving," Quigley explained. "These are the emerging markets of California, and we believe it makes good business sense to serve them."

"We fully support this partnership and look forward to the day when SBC can bring this and many other benefits of the merger to Californians," said Ed Whitacre, chairman and chief executive officer of SBC Communications Inc. "Such a comprehensive commitment to the community is in keeping with the values embraced

JUL 07 1998 9:11AM

DAY PUBLIC AFFAIRS

NO. 8017 P. 6

Partnership -- Page 4

by each SBC employee and demonstrated by the millions of hours of volunteer work they devote to their communities every year."

Leaders of several community organizations which are supporting the proposed merger said the partnership will benefit the underserved communities of California.

John Gamboa, executive director of the Greenlining Institute, said: "Telesis' commitment to set a 98 percent universal service goal for minorities is the heart and soul of this agreement. Minority economic development in California is dependent on linking all Californians together."

"California's low-income, minority, limited-English-speaking and disability communities are California's future wage and tax base, with over half of California's population and a wealth of culture and ideas," said Mark Savage, attorney for Public Advocates. "This agreement represents a visionary step in allowing these communities to compete and contribute equally to California and the Information Age."

Willis White, chairman of the California Black Chamber of Commerce, said: "Minorities don't want trivial 20-cent refunds; we want an empowerment and economic development fund, such as the \$50 million education and technology fund proposed by Pacific Bell and community groups."

Partnership – Page 5

Gelly Borromeo, editor of Asian Enterprise, said: "The involvement of CEOs Ed Whitacre and Phil Quigley demonstrates the commitment of their companies over the 10-year period of this historic partnership. They're taking a leadership role in stimulating economic development."

"This agreement is an historic piece of public policy," said Jacquelyn Brand, chair of the Universal Service Alliance (USA) and founder and former executive director of the Alliance for Technology Access." But we all know that one company in a competitive environment cannot go it alone", she said, adding: "It is most encouraging to USA that this pioneering partnership agreement opens the door to a larger partnership of competitors to participate in the community-building that is the essential purpose of the Fund."

"The Asian Pacific American Community is proud to be a full partner in this unprecedented effort to ensure that all Californians benefit from telecommunications technology," said Anni Chung, chair of the Asian Pacific American Community Partnership and executive director of Self-Help for the Elderly. "Pacific Telesis has been a longtime supporter of local communities, and their commitment will be strengthened by the merger with SBC Communications and the formation of a telecommunications fund. A stronger company means greater resources and support for communities that are underserved, underrepresented and in greatest need."

JUL 27 1999 9:11AM

BAY PUBLIC AFFAIRS

NO. 50.7 P. 3

Partnership -- Page 6

The Community Technology Fund will be used for a variety of purposes, including telecommunications network infrastructure, communications services, customer equipment, training, technical assistance as well as consumer education and advocacy.

The fund also will support creation of a consumer-oriented "think tank" which can conduct research studies addressing the vital interests of underserved communities and the general public.

In addition, Pacific Bell will create a "Universal Service Taskforce" in which community leaders will recommend ways to increase telephone subscribership in underserved communities.

The company also pledged to increase its budget for corporate and foundation grants and gifts by \$1 million above its 1996 budget, for the first three years after the merger with SBC is completed, resulting in a total increase in funding of \$3 million. The increased funding will be earmarked for grants to groups supporting underserved communities.

Pacific Telesis is challenging other telecommunications companies to contribute to the Community Technology Fund by offering to contribute an additional \$3 million to the fund each year for nine years beginning three years after the merger is completed, provided that other California telecommunications providers commit to match or exceed those amounts.

JUL 27, 1996 9:24AM

BAY PUBLIC AFFAIRS

NO. 60.7 P. 3

Partnership — Page 7

The proposed merger between Pacific Telesis and SBC Communications, announced April 1, 1996, would create a combined company with more than 100,000 employees, revenues of over \$21 billion and income of nearly \$3 billion. The merger has been approved overwhelmingly by shareholders of both companies, and is expected to be completed in the first quarter of 1997. The CPUC has encouraged Pacific Telesis to work closely with other organizations which have an interest in the merger to address any questions or concerns they may have. This partnership is the result of that process.

Pacific Telesis is a diversified telecommunications corporation based in San Francisco.

FACT SHEET
on
PACIFIC TELESIS COMMUNITY COMMITMENTS

Telecommunications markets are changing dramatically due to greater competition and advances in technology. As Pacific Telesis moves to address these changes, it is making commitments to local communities to assure that *all* their citizens will have access to telecommunications services that will revolutionize the way we work, learn and live.

On October 15, 1996, Pacific Telesis announced the following commitments for California communities:

COMMITMENT TO A COMMUNITY TECHNOLOGY FUND

- Establish a \$50 million "Community Technology Fund" to give underserved communities greater access to advanced telecommunications services. The fund will be governed by a committee of community, public interest and telecommunications industry representatives for 10 years.
- Challenge all providers of telecommunications in California to contribute to the Community Technology Fund; Pacific Telesis will contribute an additional \$3 million each year for nine years, beginning three years after the merger is completed, if other providers' contributions match or exceed the Pacific Telesis challenge.
- Support, through the fund's committee in each of the fund's first three years, awards of \$1.5 million to projects supporting underserved communities that *don't* involve telecommunications.

COMMITMENT TO COMMUNITY SUPPORT

- Increase its corporate and foundation grants and gifts budget by \$1 million to assist education, job development, economic development and social service programs in underserved communities; the increase will remain in the budget for three years to be earmarked for grants to entities serving these communities.

COMMITMENT TO ETHNIC MARKETS

- Study underserved communities and consult with community leaders on providing basic and advanced telecommunications services to these markets.
- Expand multilingual services to meet customer needs.

JUN 27 1998 9:12AM

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NO. 50.1 2 ..

COMMITMENT TO UNIVERSAL SERVICE

- Make a good faith effort over the next seven years to help California move toward a 98 percent telephone service penetration in low income, minority and limited-English-speaking communities.
- Form a *Universal Service Taskforce* with community leaders to address ways to increase the penetration of basic and advanced communications services.

COMMITMENT TO WORKFORCE DIVERSITY

- Continue its good faith efforts toward achieving a diverse workforce at all levels of management that reflects California's labor pool of available and qualified persons; Pacific Bell will foster business practices that support diversity in community and vendor relations and seek to be the state's telecommunications leader in awarding contracts to qualified and competitive minority vendors.

COMMITMENT TO ENHANCE TECHNOLOGY

- Provide customers with increasingly sophisticated telecommunications technologies to keep California a national leader, and to encourage universal design concepts to improve accessibility of telephone equipment and services to persons with disabilities.

COMMITMENT TO COMPANY ACCESS

- Ensure access by community and public interest groups to the newly-merged company, Pacific Bell will assign specific "ombudsman" to respond to complaints and problems raised by these groups; access to SBC will also occur through an officer appointed to the Pacific Telesis and Pacific Bell boards of directors.

COMMITMENT TO CREATE JOBS

- Create at least one thousand new California jobs and report progress on employment growth to the California Public Utilities Commission after two years.

JUL 27 1998 9:13AM

DAY PUBLIC AFFAIRS

NO. 5017 P. 12

**Pacific Telesis Community Partnership Commitment and Proposal for
Settlement of Pending SBC/Pacific Telesis Merger Proceeding**

PREAMBLE

Pacific Telesis' Commitment to Leadership

Emerging technologies and competition are driving extraordinary changes in today's telecommunications markets. Pacific Telesis believes technology and competition should serve the greater needs of society, advancing our ability to make the connections that enhance our daily lives.

Pacific Telesis intends to lead the way with technological and service innovations that enhance the way our customers communicate. Pacific Bell intends to strive to be the industry leader among telecommunications companies in serving low-income seniors and low-income, inner-city, minority, disability and limited-English speaking communities (underserved communities). In particular, we're concerned that all Californians, particularly underserved communities, have access to telecommunications services as they exist today and as they are evolving into advanced voice, data and video networks that can revolutionize the way people work, learn and live.

This Commitment must be placed in the context of the unprecedented changes in the telecommunications industry. The monopoly era is dead. Pacific Telesis is entering an era of dynamic uncertainty. No one company has the ability to change the way in which telecommunications will be provided to California. But Pacific Telesis and Pacific Bell have been and intend to continue to be the leaders in bringing telecommunications services to California, including California's underserved communities.

JUL 27 1998 9:13AM

DAY PUBLIC AFFAIRS

NO. 5017 P. 13

**CUSTOMER SERVICE, ETHNIC MARKETS
AND COMMUNITY SUPPORT**

Following the merger, Pacific Telesis intends to maintain or improve the quality of service to customers in California, to expand service to ethnic and disability markets, and to build communication bridges to Mexico, Latin America and the Pacific Rim countries. Moreover, Pacific Telesis intends to maintain its commitments to diversity in the workforce and to continue charitable contributions and community support that Pacific Telesis, its subsidiaries and foundation have provided to California.

The Pacific Bell marketing organization intends to continue to study underserved communities and will consult with the Universal Service Taskforce (see section below) on providing basic and advanced services to these communities.

Pacific Bell also intends to continue to provide all current multilingual services and to expand those services and add services in additional languages as needed to meet customer needs. Pacific Bell also intends to provide multilingual billing and other customer materials where necessary to facilitate serving Pacific Bell customers.

Pacific Bell intends to be a leader in California on issues affecting the economic growth of underserved communities, such as job development and small business development. In addition, Pacific Telesis and Pacific Bell believe in the importance of philanthropic investments to assist underserved communities in areas such as education, job development, economic development and key social services. Pacific Bell intends to make such investments a principal focus of its foundation and corporate grants and gifts.

Moreover, Pacific Bell intends to increase its budget for corporate and foundation grants and gifts (as compared to its 1996 budget) by one million dollars beginning with the first full calendar year following the closing of the merger between Pacific Telesis and SBC Communications. Pacific Bell agrees to maintain that increased budget for three years, resulting in a total increase in funding of three million dollars. The incremental increase will be earmarked for grants to entities supporting underserved communities.

At the end of the third year of increased funding and for each year thereafter for the term of this Commitment, Pacific Bell shall consider in good faith the feasibility of maintaining funding at the increased level.

JUL 27 1998 3 13AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 14

LEADERSHIP IN UNIVERSAL SERVICE

Although with the advent of competition Pacific Bell is no longer the sole provider of local communications service in California, Pacific Bell remains deeply committed to improving the availability of basic and advanced telecommunications services to underserved communities throughout the state. Pacific Bell intends to maintain its leadership position in enhancing the availability and penetration of telecommunications services and will make a good faith effort toward helping California achieve 98 percent penetration in low-income, minority and limited-English-speaking communities within the next seven years. Given the advent of competition, however, Pacific Bell's efforts to achieve increased penetration cannot succeed without the complete commitment of the other providers of telecommunications services in California. Pacific Bell intends to lead the industry effort in this respect.

Pacific Bell will form a Universal Service Taskforce to work in partnership with community leaders in assessing methods for improving the penetration of basic and advanced communication services and removing barriers to universal service. The taskforce will include signatories to this Commitment, Pacific Bell representatives and other members of the public interest community agreeable to the signatories. The taskforce will be charged with the following responsibilities: developing recommendations that will help move California toward 98 percent telephone penetration in low-income, minority and limited-English-speaking communities within seven years; reviewing all aspects of lifeline service; studying language and physical barriers to universal service; and recommending methods for measuring penetration within the disability community. The taskforce also will be responsible for integrating all existing Pacific Telesis and Pacific Bell universal service and phone penetration agreements into its efforts.

Pacific Bell will provide reports to the taskforce on regulatory, policy, technology and other issues affecting basic and advanced communications services and barriers to universal service. The taskforce will communicate in writing with the Pacific Bell board on an as-needed basis and will meet with the board once each year.

Pacific Bell officers will participate in an annual community forum during which the taskforce will present a universal service status report to a broad array of community leaders.

Pacific Bell expenses associated with the taskforce (except Pacific Bell employee salaries) shall not extend beyond seven years from the date of this Commitment and shall not exceed \$100,000 annually for each of those seven years.

Pacific Bell Community Technology Fund

Over the last several years, the Telesis Consumer Advisory Panel and community leaders have proposed the establishment of a fund to address universal service and to give underserved communities access to advanced telecommunications services. To demonstrate its support, Pacific Bell will establish a fund managed jointly by a broad-based committee of community and public interest group leaders, technology experts, Pacific Bell and other telecommunications industry contributors to the fund. "Public interest groups" are those groups and organizations described in Section 1802 (b) of the Public Utilities Code.

Elements of the fund:

Size, structure and name. Pacific Bell will pay to the fund up to \$5,000,000 per year for ten years. If Pacific Bell contributes less than \$5 million to the Fund in any of the ten years, then the excess of \$5 million over the amount contributed by Pacific Bell in that year can be carried over to increase the amount to be contributed by Pacific Bell in the subsequent years. Pacific Bell's total contribution will not exceed \$50 million (excluding any contributions made pursuant to the "Pacific Bell Challenge" described below).

The fund will be governed by a committee selected and agreed to by all of the signatories to this Commitment. Pacific Bell will provide staff support and, together with other telecommunications industry contributors, will have representation on the governing board. Representatives of community and public interest groups will form a majority of the committee. If Pacific Bell is the sole industry participant in the fund, the fund will be identified as the Pacific Bell Community Technology Fund.

Purpose. Its focus will be to advance universal service principles and to provide underserved communities with access to and education about emerging and advanced telecommunications. The committee will define and implement a program of community technology partnerships that will include program design, establishing funding guidelines and eligibility requirements, short- and long-term grantmaking, funding for technical support (if required), and follow-up analysis and publication.

The committee will be charged with identifying and responding to the needs of underserved communities. The committee also will be charged with reviewing the effects of competition on underserved communities in California.

Membership. Committee members will represent different geographic, ethnic, racial, urban, rural, senior and disability constituencies. Committee members shall include persons representing the signatories to this Commitment, persons representing telecommunications providers who contribute to the fund in response to the Pacific Bell Challenge described below, and other persons representing community and public interest groups who are agreed to by all of the signatories to this Commitment. Community and public interest group members could be compensated from the fund for expenses and an honorarium, if that is the wish of the committee.

JUN 30 1998 9:44AM

DAY PUBLIC AFFAIRS

NO. 8017 P. 15

Spending. Funds may be used for telecommunications network infrastructure, communications services, hardware or customer premises equipment, universal design applications, related training, technical assistance, consumer advocacy, consumer leadership and education efforts, research unit activities and to fund the administrative costs. Administrative costs shall not exceed five percent of the grants awarded on an annual basis. Administrative costs include committee member expenses and honorariums, if any, and Fund staffing and operations expenses. Grants awarded for the purpose of consumer advocacy may not be used to assert positions which, in the judgment of any signatory to this Commitment, are adverse to such signatory's interests.

During the first three years, the committee shall award \$1.5 million annually in grants to entities supporting underserved communities for projects that do not involve telecommunications.

The committee shall consider the following criteria in funding projects: relevance to the purpose of the fund, community support for the project, lasting benefit to the community, capability of the applicant to use the technology or service provided, accountability of the applicant in providing the service to the community, a carefully considered application and work plan, the cost-effectiveness of the project, applicant's management capability and control of the project and whether or not the project could be undertaken without assistance from the fund. All projects shall be sensitive to the needs of disabled consumers and focus on underserved communities.

To the extent that funds are used to acquire services and products from telecommunications providers, those services and products will, whenever possible, be acquired from Pacific Bell and other industry contributors to the fund in proportion to their contributions.

Think tank. State and federal laws are transforming the telecommunications industry by encouraging greater competition among all industry participants. Neither Pacific Bell nor any other industry participant can predict how the new competitive marketplace will unfold.

In this new environment, consumer and public interest groups can more effectively serve their constituencies if they have access to quality research. Accordingly, the committee shall establish a research unit designed to serve as a consumer-oriented "think-tank." The research unit shall be non-partisan, independent and not aligned with any telecommunications provider or signatory to this Commitment. The committee shall earmark sufficient funds to allow the unit to conduct ongoing research studies which address the vital interests of underserved communities and the general public in the evolving competitive environment.

JUL 27 1998 9 15AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 17

The research unit shall be university-based, and research studies will be distributed to consumer and public-interest groups. Where appropriate, the committee may fund conferences, seminars and other educational sessions aimed at increasing understanding of the competitive environment among the general public and consumer and public interest group leaders.

Funding for the research unit and associated educational efforts shall be contributed by Pacific Bell ~~In addition to~~ Pacific Bell's \$5,000,000 annual contribution to the Community Technology Fund. Pacific Bell's contribution to fund the research unit shall not exceed \$200,000 per year for five years. Following this five-year period, funding may be continued at the discretion of the committee from the funds of the Community Technology Fund provided that such discretionary funding shall not exceed two percent of the annual contribution to the Community Technology Fund.

Reversion. Any amounts remaining in the Fund on the fifteenth (15th) anniversary of Pacific Bell's first contribution to the Fund shall revert to Pacific Bell.

A Challenge To The Industry

Pacific Telesis believes that a long-term commitment from the entire telecommunications industry is needed in this effort. Therefore, Pacific Telesis will make a challenge pledge to all providers of telecommunications in California to contribute to the Community Technology Fund.

Pacific Telesis offers to contribute an additional \$3 million to the Fund each year for nine years commencing three years following consummation of the Pacific Telesis/SBC merger (the "Pacific Bell Challenge"), provided that other California telecommunications providers make commitments during those three years which in the aggregate match or exceed the Pacific Bell Challenge. If other telecommunications providers fail to meet the Pacific Bell Challenge, Pacific Bell will nonetheless contribute over the nine-year period an amount that matches whatever amount other providers commit to contribute during the three-year period. If other telecommunications providers fail to match the Pacific Bell Challenge within three years, Pacific Bell promptly will urge the Commission to institute a proceeding to determine how best to achieve the objectives sought by this section of the Commitment.

LEADERSHIP IN WORKFORCE DIVERSITY

Pacific Telesis has an outstanding record with respect to workforce diversity. The Company's employment of racial and ethnic minorities has risen substantially over the past decade despite a volatile telecommunications industry. The Pacific Telesis workforce is 56.6 percent female and 42.2 percent minorities. This compares to a California workforce that is 43.8 percent female and 43.2 percent minority.

Pacific Telesis intends, consistent with the new competitive environment, to continue to be a California leader in the employment and advancement of women and minorities throughout its management ranks. Pacific Telesis also intends to continue its efforts to employ and promote qualified people with disabilities. In addition, Pacific Bell will continue its good faith efforts toward further achieving a diverse workforce at all levels of management that reflects California's labor pool of available and qualified persons with the requisite skills.

Moreover, Pacific Telesis is committed to fostering business practices that support and value diversity in community and vendor relations, with the intent of providing equal opportunity and creating economic development among populations that need it most.

In 1995, Pacific Bell made 24 percent of its purchases from businesses owned by minorities, women or disabled veterans. Following the merger, Pacific Bell intends, consistent with the new competitive environment, to make a good faith effort to be the California telecommunications industry leader in awarding contracts to qualified and competitive minority vendors.

TECHNOLOGY LEADERSHIP

Pacific Telesis has focused on providing Californians a modern telecommunications infrastructure with particular emphasis on advanced networks for voice, data and video services through both wireless and land-line technologies. The Company intends to provide customers with increasingly sophisticated telecommunications technologies to keep California a national technology leader.

Pacific Telesis intends to continue its efforts to make telephone equipment and services accessible to people with disabilities by encouraging telecommunications vendors and Pacific Telesis technology design and research groups to use universal design concepts in the development of technologies and products.

EXTERNAL AFFAIRS

Pacific Bell has a long tradition of working with community leaders who represent the political, social, racial, ethnic, disability, cultural and linguistic diversity of California.

To ensure that California community and public interest groups have access to the newly merged company, external affairs managers from Pacific Bell will be dedicated to these groups to discuss service and policy issues, serving as ombudsmen for complaints and problems that are raised by these groups. Pacific Bell also will maintain both its internal Ombudsmen Office for employee concerns and its Regulatory Informal Appeals Group for escalated consumer complaints.

In addition, SBC has agreed to appoint an officer to serve on the Pacific Telesis and Pacific Bell boards of directors. Community and public interest groups will have access to SBC through this officer.

JUL 27 1998 9:15AM

BAY PUBLIC AFFAIRS

NO. 60.7 P. 19

JOBS IN CALIFORNIA

Pacific Telesis understands the anxiety over job retention and growth that can arise when two major businesses merge. This merger is a job-growth agreement. To show confidence and good faith, Pacific Telesis agrees to the following:

- The headquarters for Pacific Bell and Nevada Bell will remain in California and Nevada, respectively. In addition, a new company headquarters will be established in California that will provide integrated administrative and support services for the combined companies. Three subsidiary headquarters will also be established in California. These subsidiaries are long distance services, international operations and Internet.
- The merged companies commit to expanding employment by at least one thousand jobs in California over what would otherwise have been the case under previous plans if this merger had not occurred. The merged companies will report their progress to the CPUC within two years.

CONSTRUCTION

Nothing in this Commitment shall be interpreted to require Pacific Bell or Pacific Telesis to give any preference or advantage based on race, creed, sex, national origin, sexual orientation, disability or any other basis in connection with employment, contracting or other activities in violation of any federal, state or local law. Nothing herein shall be construed to establish or require quotas or timetables in connection with any undertakings by Pacific Bell or Pacific Telesis to maintain a diverse workforce, contract with minority vendors, or provide services to underserved communities.

JUL 27 1998 9:16AM

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NO. 5017 P. 20

PARTNERSHIP COMMITMENT

This Commitment is a ten-year partnership and commitment to the underserved communities of California. In furtherance of this partnership, Pacific Bell is undertaking an obligation to the Community Technology Fund that may extend over a decade or more as well as a seven-year commitment to the Universal Service Task Force. The other provisions of this Commitment shall be effective from the date of execution until that date which is five years after the date of closing of the merger of Pacific Telesis and SBC.

COMMITMENTS OF THE SIGNATORIES

The parties to this Commitment believe that the benefits of this Commitment, together with other benefits of the merger as set forth in the application and the filed testimony of Pacific Telesis and SBC, fully satisfy the requirements of Section 854(b) of the Public Utilities Code, if applicable. The community and public interest groups that are parties to this Commitment will therefore support approval of this Commitment at appropriate hearings and by other means. It is understood that the obligations of Pacific Telesis and Pacific Bell under this Commitment are contingent upon the closing of the merger. In addition, Pacific Telesis and Pacific Bell shall be relieved of the obligation to make all monetary contributions set forth in this Commitment in the event the Commission determines that additional or different financial obligations are necessary to satisfy the requirements of Section 854(b).

COUNTERPARTS

This agreement may be executed in counterparts and shall be binding as to each signatory as of the date executed by such signatory.

SO AGREED:

Date: 7-14-96

PACIFIC TELESIS GROUP

By: 

Philip J. Quigley
Chairman, President and
Chief Executive Officer

JUL 27 1998 9:15AM

BAY PUBLIC AFFAIRS

NO. 6017 P. 21

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELIS MERGER PROCEEDING**

SO AGREED:

Date: 10-15-96

AFRICAN AMERICANS FOR TELECOMMUNICATIONS EQUITY

By: 
The Honorable Gwan Moore
Chair

On behalf of itself and the following organizations:

Allen Temple Social Justice Institute, (Oakland) - Byron Williams, Director
 Breakaway Technologies, Inc., (Los Angeles) - Joseph Loeb, President
 California African American Leadership Institute, (Statewide) - Alice Hultman, Director
 Community Education Organization, Inc., (Los Angeles) - Gwan Moore, President
 Council of Black Administrators, (Los Angeles) - Willie Cribbs, President
 Creative After School Alternatives, (Los Angeles) - Melsha Mazzari, Ph.D., Director
 EAME Renaissance, (Los Angeles) - Mari E. Whitlock, Executive Director
 Soy Yes, Inc., (Los Angeles) - V. B. Guinea, Chief Executive Officer, Executive Director
 The Inner-Faith Ministers Coalition, (Statewide) - Dr. Jos Haroutian, Chairman
 The Urban Economic Development Corporation, (San Francisco) - Comer Marshall, Director
 The Western Council on Educating the Black Child, (Western state/national) - Dr. Grace Struther,
 President Dr. Larry Moore, Representative
 The Women's Economic Agenda Project, (Oakland) - Ethel Long-Song, Executive Director

JUL 27 1998 9 16AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 22

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10/15/96

UNIVERSAL SERVICE ALLIANCE

By: Jacquelyn Brand
Jacquelyn Brand
Coordinator

On behalf of itself and the following organizations and individuals:

Organizations

Advocates for Consumer Equity
Alliance for Technology Access
California Association of Nonprofits
California Latino Civil Rights Network
California Small Business Association
The Children's Collective, Inc.
Consumers Coalition of California
Consumers First
Electronic Frontier Foundation
MAAC Project
Radio Bilingue
San Diego Urban League
Support Center for Nonprofit Management

Individuals *

Doug Braley, Executive Director, Horizons Foundation
Elliot Brownlee, Professor, Department of History, Former President, UC Academic
Senate, and Member, UC Board of Regents, University of California, Santa Barbara
Cheri Bryant, Director of Development, ACLU, Northern California
Matt Coles, Executive Director, ACLU Lesbian & Gay Rights Project

* Organization listed for identification purposes only

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

UNIVERSAL SERVICE ALLIANCE (CONTINUED FROM PREVIOUS PAGE)

Individuals*

Susan Estrada, Member, Board of Trustees, The Internet Society; Member, U.S. Federal Networking Council's Advisory Committee

J. Craig Fong, Attorney at Law and Community Consultant

Dr. Marvalene Hughes, President, California State University, Stanislaus

Jackie Kimbrough, Ph.D., Executive Director, The Children's Collective, Inc.

Linda Hamilton Krieger, Professor, University of California School of Law, Boalt Hall

Michelle McGeoy, Founder, Accessible Software for All People

Ibrahim Naeem, President, Naeem and Associates

Helen Nelson, former Director, Department of Consumer Affairs, State of California

Dr. Barbara O'Connor, Professor, Communications CSU Sacramento

Jenny Pitzer, Managing Attorney, Western Regional Office, Lambda Legal Defense and Education Fund

Toby Rothschild, Executive Director, Legal Aid Foundation of Long Beach

Peggy Selka, Executive Director, Asian Pacific Environmental Network

Scott Walton, Executive Director, Digital Queers

Linda Wong, Chief Financial Officer, Rebuild LA

* Organizations listed for identification purposes only

JUL 27 1998 9 17AM

SAY PUBLIC AFFAIRS

NO. 6017 P. 24

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10/14/96

ASIAN PACIFIC AMERICAN COMMUNITY PARTNERSHIP

By: Anni Chung
Chair

By: J. Craig Fong
J Craig Fong
General Counsel

On behalf of itself and the following organizations:

Asian Community Online Network-Oliver Wang, Coordinator
ASIAN, Inc-Harold Yee, President
Asian Law Caucus-Angelo Ancheta, Executive Director
Asian Pacific American Community Fund-Gail Kong, Executive Director
Asian Pacific Community Fund-Warren Furutani, Executive Director
Asian Pacific American Legal Center-Steward Kwok, President & CEO
Asian Pacific Environmental Network-Peggy Saika, Executive Director
Asian Pacific Islander Health Forum-Tessie Guillermo, Executive Director
Chinatown Service Center-Deborah Ching, Executive Director
Congressional Asian Pacific American Caucus Institute-Francy Lim Youngberg, Executive Director
Korean Youth and Community Center-Bong Hwan Kim, Consultant
Leadership Education for Asian Pacifics-J.D. Hokoyama, Executive Director
National Asian American Telecommunications Association-Deanna Borshay, Executive Director
National Asian Pacific American Legal Consortium-Karen Narasaki, Executive Director
On Lok, Inc.-Jennie Chin Hanson, Executive Director
Organization of Chinese Americans-Daphne Kwok, Executive Director
Refugee Resource Center-Robert Boon Khoonsrivong, Executive Director
Sacramento Asian Pacific Islander Coalition-David Marquez, President
Self-Help for the Elderly-Anni Chung, Executive Director
Southeast Asian Community Center/Southeast Asian Chamber of Commerce-Vu-Duc Vuong, Executive Director/Chair
UCLA Asian American Studies Center-Don Nakanishi, Ph.D, Director
Union of Pan Asian Communities-Margaret Iwanaga-Penrose, President & CEO

JUN 30 '99 14:38 FR SBC

210 370 1963 TO 82173521083

P.25/35

JUN 30 1999 3:17AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 25

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10/12/00

ASIAN PACIFIC ISLANDERS CALIFORNIA ACTION NETWORK

By: Tessie Guillermo

Tessie Guillermo

Representative

[Executive Director - Asian Pacific Islander American Health Forum]

On behalf of itself and the following organizations:

Association of Asian Pacific Islanders Community Health Organizations [AAPCHO/Oakland-East Bay]

Asian Pacific American Advocacy and Research Council [APARC/SF Bay]

Asian Pacific Islander American Health Forum [APIAHF/national-SF] coordinating agency for APIs CAN

Asian & Pacific Islanders for Immigrant Rights & Empowerment [APIFIRE/Los Angeles]

Asian Pacific Planning Council [APPCON/Los Angeles]

East Bay Asian Consortium [EBAC/East Bay]

Filipino American Community Action Network [FILAMCAN/San Diego/National City]

Korean American Inter-agency Council [Los Angeles Area]

National Asian Pacific American Families Against Substance Abuse [NAPAFASA/Los Angeles Area]

NICOS Chinese Health Coalition [SF Bay]

Pilipino American Health & Human Services Coalition [PAHHSCO/Los Angeles Area]

Pilipino American Network & Advocacy [PANALos Angeles Area]

Sacramento Asian Pacific Islander Coalition [SAPIC/Sacramento]

Union of Pan Asian Communities [UPAC/San Diego]

JUL 27 1998 9 AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 26

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10/15/96**GREENLINING INSTITUTION**By: John C. Gamboa
Executive DirectorBy: Robert Gnaizda
General Counsel**LATINO ISSUES FORUM**By: Guillermo Rodriguez, Jr.
Executive DirectorBy: Susan E. Brown
Legal Counsel

On behalf of itself and the following organizations:

American G.I. Forum
 Asian Business Association
 Asian Entrepreneur
 Black Business Association
 California Black Chambers of Commerce
 California Coalition of Hispanic Organizations
 California Hispanic Chambers of Commerce
 California Rural Legal Assistance
 Chinese for Affirmative Action
 Council of Asian American Business Association
 Filipino-American Chamber of Commerce, L.A.
 Filipino-American Political Association
 Hermandad Mexicana Nacional
 Interdenominational Ministerial Alliance
 Japan Pacific Resources Network
 Latino Issues Forum
 Mexican-American Political Association
 New Bayview Committee
 Oakland Citizens Committee for Urban Renewal (OCCUR)
 Phoenix Urban League
 San Francisco Black Chamber of Commerce
 San Francisco Negro Business and Professional Women Inc.
 Southeast Asian Community Center
 West Angeles Church of God in Christ
 West Coast Black Publishers Association

JUL 27 1998 9:18AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 27

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10-14-96

HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY

By: Richard L. Bela
Ric Bela
President

On behalf of itself and the following organizations:

American GI Forum-Leo Avila
California Hispanic Chambers of Commerce (CHCC)-Manny Rosales, President
Federation of Employed Latin American Descendants/Image-Tranquillino Martinez
HACR California San Diego Urban Corps-Jess Haro, Chair
Hispanic Association on Corporate Responsibility-Ric Bela, President
Hispanics in Philanthropy Cuban American National Council-Diana Campoamor, President
Latin Business Association-Ruben Jauregui
League of United Latin American Citizens (LULAC)-Vera Marquez, State President
MANA, A National Latina Organization-Mary Salas
Mexican American Political Association-Nellie Trujillo, Vice President
West Region Puerto Rican Council-Jesus Roman, President

JUL 27 1998 9 18AM

SAY PUBLIC AFFAIRS

NO. 5017 P. 28

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10-14-96

LOS ANGELES URBAN LEAGUE

By: *René Etienne*

René Etienne for John Mack

President

Los Angeles Urban League

JUL 27 1999 9:10AM

BAY PUBLIC AFFAIRS

NO. 8017 2. 29

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: October 14, 1996

PUBLIC ADVOCATES, INC.

By: Mark SavageMark Savage
Attorney

On behalf of itself and the following organizations:

Association of Mexican-American Educators, Enrique Franco, President
California Association for Asian-Pacific Bilingual Education, Kikuko Nishi, President
California Association for Bilingual Education, Silvia Rubinstein, Executive Director
Filipino Civil Rights Advocates, Lillian Galedo, Co-Chair, Interim National Council
Filipinos for Affirmative Action, Lillian Galedo, Executive Director
Korean Community Center of the East Bay, Bobby Woo Keun Kim, Executive Director
Korean Youth and Community Center, John Ho Song, Executive Director
National Council of La Raza, Raul Yzaguirre, President
Southern Christian Leadership Conference, Genethia Hayes, Executive Director

JUL 27, 1998 9:18AM

BAY PUBLIC AFFAIRS

NO. 5017 P. 30

**COUNTERPART SIGNATURE PAGE TO PACIFIC TELESIS COMMUNITY PARTNERSHIP
COMMITMENT AND PROPOSAL FOR SETTLEMENT OF
PENDING SBC/PACIFIC TELESIS MERGER PROCEEDING**

SO AGREED:

Date: 10.15.96

WORLD INSTITUTE ON DISABILITY

By: Betsy Bayha
Betsy Bayha
Acting Director, Technology Policy

On behalf of itself and the following organizations and individuals:

Organizations

Arkenstone- James Fruchterman, President & CEO, Member, Telecommunication Access Advisory Committee
Berkeley Center for Independent Living- Terry Herkimer, Services Manager
Berkeley Planning Associates- Ann Cupolo-Freeman
Cal-Women's International Linkage on Disability- Betty Ingram, Co-Founder
Computer Technologies Program- Berkeley, David Landes, Ph.D.
Computer Technologies Program- Joan Breves, Executive Director
D.E.A.F. Media, Inc.- Susan Rutherford, Ph.D., Executive Director
Disability Rights Advocates- Sid Wolinsky, Director of Litigation
Disability Rights Education and Defense Fund- Berkeley, Marilyn Golden, Senior Attorney
Mobility International, USA- Cindy Lewis
Smith Kettlewell Rehabilitation Engineering Research Center, Eye Institute- San Francisco, John Brabyn, Ph.D., Director, Bill Crandall, Ph.D., Researcher
United Cerebral Palsy Association- San Francisco, Yvette Fang, Social Services Coordinator

Individuals

John Darby- Disability Consultant, Mill Valley
Robert Ingram- Principal, Ingram Communications, Union City

JUL 27 1998 9:19AM

DAY PUBLIC AFFAIRS

NO. 5017 P. 31

History of Pacific Bell's consumer advisory process

"Information Age technology must be used to advance social integration and avoid further social stratification."

--Intelligent Network Task Force Report, 1987

Pacific Bell has been actively involved in conversations with community and consumer groups since 1976 when it established a consumer advisory group to make recommendations on how it should communicate with its customers.

A permanent Telecommunications Consumer Advisory Panel (TCAP) was established in 1981, composed of leading Californians involved in consumer issues, public interest advocacy and academics examining the impacts of technology and telecommunications. The group meets annually with the Telesis Board of Directors.

In 1984, the company signed an agreement with the NAACP, the first of its kind in the telecommunications industry. Its purpose was to explore issues of mutual concern and act on them. A study suggested by the NAACP led to Pacific Bell dramatically restructuring its programs for minority and women vendors (24% of its vendor base is now from this source pool, over \$600 million/year). In 1987, a similar agreement was signed with leaders in the Hispanic community represented by the Hispanic Association for Corporate Responsibility (HACR). Soon after, the company began a similar dialogue with leaders in the Asian/Pacific Islander communities.

In 1985, Pacific Bell commissioned a group of extraordinary thinkers (Common Cause, Southern Christian Leadership Conference, Gray Panthers, academics) to develop a ***public interest vision*** of the Information Age. It became a landmark study, replicated in several states and incorporated into numerous national and state regulatory findings. "Pacific Bell should become a ***venture catalyst*** by lowering the barriers to Information Age participation," said the Intelligent Network Task Force, reaching out to underserved groups.

The company also commissioned additional public interest studies: people with disabilities, diversity, multilingual services. In 1994, it signed an agreement with the Greenlining Institute to find ways to increase phone penetration levels in low income and underserved neighborhoods.

For the past several years TCAP and other groups have urged the company to find creative ways to make certain that all Californians, including the poor and disadvantaged, can participate fully in the benefits of modern telecommunications technology. Members believed that technology should help ***build community***.

In 1996, Pacific Bell worked with a public interest consortium to establish the \$50+ million Community Technology Fund, as part of its merger with SBC.

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JUL 27 1998 9:09AM DAY PUBLIC AFFAIRS

NO. 5017 P. 32

COMMUNITY PARTNERSHIP COMMITMENT PROFILES

AFRICAN AMERICANS FOR TELECOMMUNICATIONS EQUITY

Representing unilateral agreement amongst member organizations and associations, African Americans for Telecommunications Equity works to safeguard the interests of African Americans in the burgeoning telecommunications and information age.

Gwen Moore, chair. A member of the California State Assembly from 1978 to 1994, and former chair of the Assembly Committee on Utilities and Commerce, Moore gained national acclaim for her work on utility and telecommunications issues. As author of the Moore Universal Telephone Service Act, she secured the availability of telephone service to all Californians. Moore continues her efforts to ensure telecommunications service for the most needy in our communities and has been honored with numerous awards statewide and nationally for her outstanding work on equal opportunity concerns, utility and energy issues, and consumer affairs.

ASIAN PACIFIC AMERICAN COMMUNITY PARTNERSHIP

A coalition of 22 nonprofit regional, statewide and national advocates for the Asian Pacific American Community, its members collaborate increase access to technology for underserved, under-represented populations.

Anni Chung, chair. A widely recognized role model and community advocate for various social, health, employment and consumer programs, Chung has received numerous awards for her tireless efforts on behalf of the immigrant, elderly and Asian communities, including the 1996 Community Leadership Award for Asians for Corporate and Community Action. Chung serves on the Board of Directors of St. Mary's Hospital and Medical Center, the Progress Foundation, Consumer Action, and NICOS Chinese Health Coalition. Chung also produces and hosts "Chinese Journal," a monthly Cantonese public affairs program on KTSF-TV.